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NICCI e~Newsflash

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Business delegation from Nepal to India

A diverse business delegation with representatives from all major business chambers, including strong teams from Federation of Nepalese Chambers of Commerce & Industry (FNCCI), Confederation of Nepalese Industries (CNI) and Nepal-India Chamber of Commerce & Industry (NICCI) was in India this month from 6th to 10th November 2012.

In an effort to boost bilateral ties a team of 20 strong delegates visited Delhi and Jaipur on a special initiative undertaken by the Ministry of External affairs of India (MEA) and the Embassy of India, Kathmandu in partnership with Federation of Indian Chambers of Commerce and Industry (FICCI).

The Nepali delegation's enthusiasm during the 4-day progamme remained exemplary during the hectic schedule of travel commenced with a welcome dinner hosted by Joint Secretary North, Mr. Akhilesh Mishra and a visit to the state of the art Suzuki factory at Gurgaon. Mr. Anil Saini and his team explained the resources that are helping them cut down on energy/power consumption and are therefore allowing them to cut costs and become more efficient – things of great interest to the visiting delegation whose members are faced with a power crisis back home.

Next was the Jaipur visit – the pink city of India - where the delegates were taken to a textile weaving park and an agriculture warehousing facility. The long drive from Delhi ended with a refreshing tour at the historical Amer Fort. A 30km drive from Jaipur took the delegates to the site which is part of a network of 220 warehouses across India. Star Agri Warehousing Pvt Ltd is one of the leading warehousing companies in India. Delegates were shown around the facility and its ERP systems and explained how various commodities can be managed better.

On 9th November, FICCI organized an interactive business meeting with the visiting delegates at its Delhi office. 35 businesspeople from India interacted with their Nepali counterparts in one of the most successful initiatives organized by FICCI. Former Ambassador of India to Nepal, Shri Shiv Shankar Mukherjee was the moderator for the meeting that was attended by H.E. Jayant Prasad, Ambassador of India to Nepal, Joint Secretary of MEA North, Akhilesh Mishra and Secretary General of FICCI, A Didar Singh. Highly informative presentations were made by five representatives from among the visiting delegates in the program.

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Business delegation from Nepal ………………

H.E. Prasad and Mishra along with Former Ambassador Mukherjee emphasized on development, which would inevitably lead to a prosperous Nepal and its importance to India. Bhaskar Raj Rajkarnikar, Sr. Vice President of FNCCI delivered his presentation on the role of media in Hindi. H. E. Prasad praised the visiting delegation's diversity which happened to be of the widest range, covering Nepal from East to West.

Aditya Baral, Director NTB presented the facts and figures of tourism opportunities and aspects between the two neighbors. This was followed by Manoj Kedia's short presentation 'Opportunities and Challenges in doing Business with India'. Sashi Raj Pandey, Acting President of NICCI spoke on 'Doing Business in Nepal – Investment Opportunities'. Afterwards, Arun Chaudhary, Immediate Past President of NICCI shared the success story of Indian business/JVs in Nepal.

The meeting at South block in the afternoon was one of the high points of the visit. Akhilesh Mishra presided over the meeting, patiently hearing out the guests on issues and fresh ideas for mutual benefit.

Earlier, in the last three months, FICCI along with Embassy of India and MEA had organized interaction program with the business community of eastern Nepal at Biratngar and in another program, FICCI with Embassy of India also organized a sizeable delegation from Birgunj, which was also the first of its kind to India.

Cargo handling resumes in Haldia port

Bulk and open cargo handling has resumed in Haldia port after Kolkata Port Authority (KPA) - the Indian government undertaking that oversees operation of the Haldia port - made special arrangements to deal with the problem following abrupt exit of APG, one of the cargo handling firms, from the designated responsibility three weeks ago.

In a rare incident, Haldia Bulk Terminals (HBT) suspended opera-tions at berths 2 and 8 of Haldia Port some three weeks ago. HBT, a joint venture of Indian company ABG Infralogistics and French Louis Dreyfus Armateurs, pulled out from Haldia citing security reasons and alleging vested interests of port autho-rities, the Indian media has reported.

Due to the suspension of opera-tions, ships carrying Nepal-bound open/bulk cargo could not berth at Haldia Port in the first week of November and were stranded for near-ly 24 hours on the high seas. As per the 1958 UN Convention, high seas means all parts of the sea that are not includ-ed in the territorial sea or in the inter-nal waters of a state.

Mainly berth No. 2 and 8 of Haldia port had remained non-functional in the absence of the contractor company, leaving Nepal bound overseas imports - mainly bulk and open cargoes - stranded. The KPA agreed to put crisis management measures in place to ensure smooth handling of Nepal-bound bulk and open cargos following negotiation with Nepalese Consulate General´s Office in Kolkata.

"The problem in cargo handling that emanated from the exit of APG has been resolved, paving the way for unhindered loading and unloading of Nepal-bound imports via Haldia port," said Chandra Kumar Ghimire, Nepalese Consul General, at Kolkata. According to Ghimire, around 24,000 tons of coal imported by a Nepali party from South Africa had remained stuck in Haldia port for a couple of weeks in the absence of cargo operator.

"KPA has assured us that it would give high priority to handle Nepal-bound goods. Henceforth, all kinds of cargos will be cleared without any hindrance despite the absence of handling firm in berth No. 2 and 8 in Haldia," he added.

Haldia Port, located 50 km south-west of Kolkata, is a major port via which Nepal conducts most of its trade with third countries. Haldia and Kolkata ports are the only designated ports in India for Nepal-bound cargo. This limitation has left Nepali entre-preneurs with no alternative but to use these ports despite frequent hurdles.

Nepali business people have long been complaining about the mismanagement of state-owned Kolkata and Haldia ports which are vital for Nepal´s overseas trade. The government is negotiating with India to operationalize privately run Vishakhapatnam as alternative port, which is comparatively well-quipped that Kolkata and Haldia ports, for its overseas trade.

Although India had agreed in 2009 to allow Nepal to use Visakhapatnam Port on the east coast, it did not hap-pen. This port is fully automated and can handle large vessels which give it a clear advantage over the ports in Kolkata. However, Visakhapatnam is farther from Nepal in comparison to Haldia and Kolkata ports.

Meanwhile, Paradeep and Dharma ports in Orisa have advantages over Visakhapatnam as they are closer to Nepal and can also handle large ships. Though Nepal has not formally asked India for use of these ports, Nepali officials have been mull the idea, high level sources said.

Handicraft Show from Thursday, aims to highlight rural products

The 10th edition of the Handicraft Trade Fair is started at Bhrikuti Mandap on Thursday. The five-day exhibition from November 22nd to November 26th being organised by the Federation of Handicraft Associations of Nepal (FHAN) will showcase a wide range of handicraft items including pashmina, woollen products, silver jewellery, handmade paper products and wood crafts, among others.

The Federation of Handicraft Association Nepal (FHAN) is going to organize the 10th Handicraft Business Festival and the 8th Competitive Handicraft Exhibition from November 22nd to November 26th at the Bhrikutimandap Exhibition Hall.

According to Hari Bahadur Karki, Chief Coordinator of the exhibition organizing committee, artists from 32 countries, including Nepal will present live demonstrations during the exhibition. Handicraft entrepreneurs from more than 15 districts of Nepal will participate and exhibit their products at the show, he said. He added that the FHAN will provide stalls to 10 districts including Tanahun and Kaski free of cost and a variety of handicrafts will be exhibited.

According to FHAN, the exhibition hosts 200 stalls displaying products from India, Pakistan, Bangladesh and Jordan in addition to local products. Handicraft producers related with 10 district associations and other organizations are taking part in the expo which is being organised under the theme “Handicrafts for all”.

FHAN has planned to hold the fair in a different way this time. The federation’s president Bikash Ratna Dhakhwa said they had given priority to handicrafts from rural areas and backward communities. “We aim to promote products at the grass-roots level,” he said.

The fair will also contain 10 pavilions of various handicraft enterprises displaying their products. One outstanding pavilion will be given a cash prize of Rs 100,000, according to FHAN.

FHAN director general Dilip Khanal said the exhibition has targeted promoting use of handicraft items in the daily lives of the people. According to him, they will be displaying a mock-up of a bedroom, living room and corridor of an ordinary house. “The mock-up is intended to show how handicraft items can be used for interior decoration of residences and other purposes,” he said.

FHAN has named the Export Promotion Council for Handicrafts, India as its country partner for the fair. Khanal said the alliance could help promote domestic products in the international market.

The fair will also present artistic handicraft products from the grass-roots level to preserve traditional skills which are on the verge of extinction. “The fair has targeted creating a platform for using such skills to produce handicraft products that are popular among the modern generation,” said Khanal.

The Eighth Handicraft Competition of wood crafts will be held on the sidelines of the fair. FHAN expects there will be more than 300,000 visitors and business transactions of more than Rs 100 million at the fair.

Top tax payers felicitated on the first national tax day
Need for consumer-friendly tax system : PM

In a bid to reform the tax administration and make it transparent and effective, the Inland Revenue Department (IRD) has unveiled its five-year strategic plan and three-year reform plan. The plans were launched amid a programme to mark the first National Tax Day here on Friday, 16th November. The department aims at simplifying the tax system and make it more accountable by meeting the world standard in its five-year strategic plan. Under the three-year reform plan, IRD plans to change the existing tax laws and policies.

At the programme, Prime Minister Baburam Bhattarai said the government was doing its bit to reform the tax administration. “At a time when a huge portion of country’s development expenditure is being fulfilled by international assistance, it is high time to increase tax compliance in order to become self-reliant in national development,” said Bhattarai. He has stressed on the need of making the tax system even more tax payers – friendly. “Only about three percent of the country’s population has been registered in the tax system,” said Bhattarai. “This calls for tax awareness in the country.”

On the occasion, Bhattarai inaugurated the IRD-designed information technology (IT) vigilance system. The system monitors tax offices under IRD. The department also started its IT system through which a tax payer can check his/her tax account. Finance Minister Barsha Man Pun called for co-operation between tax administrators and tax payers.

In the program, the IRD felicitated top individuals and institutional tax payers who contributed the largest income tax amounts in last fiscal year. Nepal Telecom, Nabil Bank, Agriculture Development Bank, Unilever, Buddha Air, Om Hospital and Research Centre and Lord Buddha Educational Academy were honoured as top institutional tax payers, while Prithvi Bahadur Pande, chairman of Nepal Investment Bank, was rewarded as top individual tax payer.

Govt plans feasibility studies on hydel projects above 2,000 MW

The government is planning to conduct feasibility studies on hydropower projects with capacity larger than 2,000MW. This is what Nepal told the meeting of the Energy Group under the South Asian Sub-Regional Cooperation held in Thimpu, Bhutan, on November 9-10. The meeting discussed possibilities of power trade within the region.

"We told the gathering that we would conduct feasibility studies on mega projects as Nepal could be the potential power exporter in the region," said Moti Bahadur Kunwar, joint secretary at the Ministry of Energy, who had led the Nepali delegation to the meeting participated by Bhutan, India, Sri Lanka and Bangladesh, besides Nepal.

According to Kunwar, the Asian Development Bank (ADB) has committed to provide technical and financial support for the studies. An ADB team will soon visit Kathmandu to discuss the matter as the modality of donor's support in project identification was not finalised during the Thimpu meeting. Kunwar said there has been an agreement in principle that the power generated from these projects will primarily be supplied for domestic consumption. "Surplus energy will be exported," he said.

The ministry now plans to request the National Planning Commission to include the feasibility study agenda in its annual programme and begin implementation work in the current fiscal year. The ministry, according to Kunwar, will soon begin drafting a proposal for project identification and feasibility studies. However, there are doubts about the government commitment given the slow pace of work on some mega projects announced earlier.

The Karnali Chisapani Multipurpose Project (10,800 MW), Pancheshwar Hydroelectric Project (6,700 MW) and Sapta Koshi High Dam Multipurpose Project (3,300 MW) have already been announced, but work on these projects is moving at snail's pace. "Despite the Thimpu agreement, it is not clear how the funding will be arranged for the potential mega projects," said another ministry official.

During the meeting, Nepal and India also agreed to develop 125km Butwal-Gorakhpur Transmission Line (400kv). "The decision was taken not only to facilitate energy trade between Nepal and India, but also to supply power to the South Asia subregion," said Kunwar. The meeting also agreed to develop high-voltage transmission lines linking countries in the region.

Two micro hydropower projects in offing

Two more micro hydroelectricity projects are to be constructed at Narchyang VDC in north Myagdi. Preparations are underway for the construction of the Upper Nilgiri Micro Hydroelectricity Project and the Ghalemdikhola Micro Hydroelectricity Project at Narchyang. Two hydroelectricity projects – the 164-Megawatt Kaligandaki Gorge Hydroelectricity Project and the 42-Megawatt Mistrikhola Hydroelectricity Project—have already entered the construction phase in Narchyang.

Mountain Energy Power, a Kathmandu-based hydropower development company, is undertaking the construction of the 38-Megawatt-capacity Nilgiri Micro Hydroelectricity Project and the 10-Megawatt-capacity Ghalemdikhola Miro Hydroelectricity Project.

The same construction company has started construction of the Mistrikhola hydroelectricity project. The Mistrikhola project is being constructed at an estimated cost of six billion rupees. The road leading up to the foot of Mt. Nilgiri, where the project reservoir is located, has already been constructed. Similarly, the Nilgiri Hydroelectricity Project is estimated to cost Rs. 3.74 billion. It is a run-of-the-river type project.

The power generated from the project will be fed into the 133-KVA transmission line by constructing a 10-kilometre feeder line.

Govt endorses new frequency policy

The Radio Frequency Policy Determination Committee has endorsed the Telecom Sector's Radio Frequency (Distribution and Pricing) Policy-2012, in which the committee has decided to end the existing ad-hocism regarding frequency and adopt an auction policy and has set the base rate at Rs 12 million per MHz for 3G spectrum auction.

The policy has been endorsed, said spokesperson at the ministry of information and communications Sushil Kumar Ojha, adding that the ministry will make the policy public within a few days. The committee has agreed to provide frequency in technology neutral condition so that telecom service providers can introduce the technology based on competitive market practices, said a member involved in formulating the policy.

As per the new policy, there will be re-farming of the frequency to make available 40 MHz spectrum for 3G services in the 2100 MHz band and four operators will each get 10 MHz. However, the telecom operators will have to acquire unified license before taking part in a 3G spectrum auction.

As of now, two big operators—Nepal Telecom and Ncell—are providing 3G service after getting 10 MHz each in the same band at free of cost. The new policy states that both Nepal Telecom and Ncell will have to pay the same fee per MHz within 30 days as quoted by the highest bidding telecom company.

The new policy has set a target of auctioning 3G spectrum within three to six months after issuing unified licence to at least two operators.

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Govt endorses new frequency ……………..

United Telecom Limited, Smart Telecom and STM Telecom have been showing interest to acquire the unified licence that would allow them to operate local, domestic trunk, international long distance and cellular mobile telephone services.

"New policy has made it clear that we will be able to assign frequency required to operate under unified licencing system," said Ananda Raj Khanal, officiating chairman of the Nepal Telecommunications Authority (NTA). According to him, besides the 3G service, an operator will also have to get unified licence if it wanted to operate 4G.

In a bid to give level-playing field to all the operators, the government about five months ago had introduced the unified licencing system "basic telecommunication service". NTA officials said that work on issuing the unified licence had been taking more time than anticipated due to delay in appointment of new chairman at the NTA.

The new policy has also brought relief to operators as they will be able to pay unified licence renewal fee of Rs 20.13 billion in installment over a period of 10 years. In the first year of service operation, the operator will have to pay a licence fee of Rs 50 million. The policy said that the installment amount would increase each year after three years of operation and the operator will have to pay Rs 2 billion to the government in the final year to renew the licence.

If the government fails to issue unified licence to minimum two operators within one year after implementation of the new policy and could not auction 3G spectrum, the only existing basic telecom service providers Nepal Telecom, United Telecom Limited, Nepal Satellite Telecom and mobile service provider Ncell would be provided 3G spectrum without auction at the same base rate per MHz set in the policy

The new policy was made public on Tuesday by the Ministry of Information and Communications after incorporating the suggestions of the Radio Frequency Policy Determination Committee. The policy has come into effect from Nov 4, according to the ministry.

The country can generate an additional revenue of Rs 1 billion through auction of frequency after the policy comes into effect, said a source at the Ministry of Information and Communications. The committee has decided to charge extra tariff from service providers who hoard unused frequency. It has decided to charge 0.4 per cent of the total income as frequency from all telecom service providers. "This amount is 0.3 per cent less than the committee's earlier decision," the source said.

The 14th meeting of the Radio Frequency Determinism Committee last year had made operators liable to pay 0.7 percent of total annual income as frequency fee annually. It is suspicious why the committee decided to lower the fee since frequency is a valuable natural resource, the source said.

Regarding 3G frequency, the committee has decided to auction 3G frequency which is not in use and charge the same amount from telecom service providers who have been using 3G frequency.

Nepal Telecom launches WiMAX

Nepal Telecom (NT) launched WiMAX (Worldwide Ineroperability for Microwave Access) amid a special function in Kathmandu on last week Monday. The operator announced that the services at present was being launched only for the corporate clients. Under this, hospitals, educational institution, business firms, diplomatic missions and non-governmental organizations, can now instantly subscribe to the high-internet service.

Individual users, however, would have to wait for a month to subscribe the WiMAX service. "The service will be made available to individual users in and around Kathmandu valley in about a month, but still our focus customers are people in rural area and the corporate sector," NT Spokesperson Guna Keshari Pradhan said.

Under the WiMAX technology, the operator says it will provide minimum speed of 256 kbps.

NT further announced that it would be expanding WiMAX services to Pokhara, Bhairahawa and surrounding regions only in the second phase. The installation of the equipment for the services in those regions is at the final stage, said Pradhan.

"The service will be made available across the country within a year," she added. The operator plans to distribute 200,000 lines within this period.

In order to access the service, customers will have to buy customer premises equipment (CPE) which comes in three types--outdoor, indoor and USB dongle. Outdoor CPE, which costs Rs 16,000, will enable the subscriber access signal within a range of 15 kilometers, while indoor device priced at Rs 16,000 will facilitate signal access within 5 kilometers range.

According to a senior NT official, once the service is made available to general public, the price of CPE would also decrease. "We have already signed agreement with vendors for the supply of CPE after which we will be bonding the package with the equipment," the official said.

ADB commits to complete tender process by March

The Asian Development Bank (ADB) has expressed commitment to select a new contractor for Melamchi Drinking Water Project (MDWP) within March 2013. The multilateral donor expressed its commitment after the project became uncertain following termination of tunneling contract with China Railway 15 Bureau Group about two months ago.

"The meeting between government and ADB officials held on Tuesday to review progress of ADB-funded projects was focused on implementation of the mega drinking water project, ADB officials have assured us that the multilateral donor would expedite works so that the bidding process could be completed within the stipulated time by March next year." a high level government official said.

According to state-run news agency Rastriya Samarchar Samiti (RSS), Melamchi Water Supply Development Board (MWSDB) - the implementing agency of the project - has already finalized the bidding document for construction of the tunnel and is preparing to invite international bidding for the same within this week. Ghanshyam Bhattarai, executive director of MDWP, said they would invite global bids for the project by this Friday. The Chinese contractor had abruptly left the project after digging 6.5 km tunnel.

"The project works will be resumed from the point where the Chinese contractor had left. All other issues relating to the resumption of works would be finalized after holding discussions with designated consultants," the news agency quoted Bhattarai as saying.

Juan Miranda, director general of the South Asian Department of the ADB, in a recent press conference in the capital has expressed commitment to continue support for the much delayed project until its completion. The project, which targets to supply daily 170 million liters of water to the capital, is expected to cost more than US$ 464 million.

Nepal, B'desh start consultation on DTAA

Nepal has commenced pre-negotiation consultations on Double Taxation Avoidance Agreement (DTAA) with Bangladesh, eyeing to attract more investment from the second largest South Asian trading partner by laying down a more lucrative investment regime between the two countries.

A four-member team of officials under the leadership of Tanka Mani Sharma, director general of the Inland Revenue Department (IRD) left for Bangladesh on Friday to have a pre-negotiation consultation with the Bangladeshi officials, a source at the Ministry of Finance (MoF) told Republica.

The team has been entrusted to pave the way for starting the final negotiations on text of DTAA. "The officials from two countries will sit for final negotiation after some time based on the results of this consultation," the source said.

According to the source, the government has almost finalized the text of DTAA to be signed with Bangladesh. Two countries had already shared the text of DTAA earlier. "So, this consultation meeting will discuss on the shared DTAA text," said the source.

The government plans to sign DTAA with Bangladesh in the near future in order to free the investors and traders from Nepal and Bangladesh from the need of paying taxes in both the countries. With it, the officials believe Nepal would receive more foreign investment from Bangladesh.

As of 2010/11, Nepal has received just Rs 520 million of investment from Bangladesh. Statistics of the Department of Industry (DoI) show a total of 26 Bangladeshi joint ventures operating in Nepal which are providing jobs to 4,166 people.

Moreover, Bangladesh is one of the few countries with which Nepal has trade surplus.

According to the Trade and Export Promotion Center (TEPC), Nepal exported goods worth Rs 2.57 billion to Bangladesh and imported goods worth Rs 1.50 billion, posting a trade surplus of just over Rs 1 billion in 2011/12.

Govt launches info portal to lure foreign investors

The government has launched a new information portal ´Invest Nepal´ in a bid to attract and facilitate potential foreign investors to put their money in Nepal. The portal which was launched last week has information on government´s policies, country´s investment climate and features of major projects in different areas such as hydropower, mining, tourism and agriculture.

The government in partnership with the Confederation of Nepalese Industries (CNI) has showcased eight sectors - hydropower, tourism, manufacturing, agriculture, mines and minerals, information technology and infrastructure development - through the portal (www.investnepal.gov.np) aiming to lure foreign investment in these areas.

Highlighting the major policies, the portal also provides information on government´s priorities on the development front. "The Invest Nepal portal serves as a single authorized source of information on government´s policies governing foreign direct investment (FDI) and other business related information," Krishna Gayawali, secretary at the Ministry of Industry (MoI) said. "We believe this portal will be useful, particularly in the context of the Investment Year."

The portal provides detailed information on investment procedures, visa process, policies, laws and acts including different survey results and treaties and agreements signed by Nepal with other countries.

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Govt launches info portal to lure ...

According to a highly placed official, MoI developed the portal with assistance from the United States Agency for International Development (USAID)´s NEAT program. "The CNI is currently hosting the help desk of Invest Nepal portal," reads the press statement issued by CNI after formal launching of the portal.

"The help desk will provide information about features of certain projects as well," an official at CNI said. "Foreign investors won´t have to travel all the way to Nepal just to know the basic pre-investment environment and policies." Potential investors can also ask for specific information about Nepal from the help desk.

The newly launched portal also aims to provide information on FDI, sector specific information and play the role of a facilitator among investors, government and the private sector. The portal is also expected to be helpful in attracting foreign investment as it will go online ahead of the launch of the much-touted Investment Year.

ITC positive to promote Nepali Pashmina products

The International Trade Center (ITC) - a joint agency of the World Trade Organization (WTO) and United Nations - has sent a final proposal to support Nepal in promoting production and export of Chyangra Pashmina made from the mountain goats in the international market. Through the MoCS, the government had proposed a project few weeks back seeking support from ITC, which is the implementing agency of Enhance Integrated Framework (EIF) under the WTO.

"Positively responding to our request for its support to promote Nepali pashmina, the ITC sent to us the final offer last week. We are preparing to call a meeting of stakeholders to discuss the contents of the offer from ITC before forwarding it back for formal pact," Toya Narayan Gyawali, joint secretary at the Ministry of Commerce and Supplies (MoCS) said on Saturday.

National Steering Committee (NSS) headed by the chief secretary will endorse the proposal once a technical committee, which comprises representatives also from private sector, finalizes the proposals on behalf of Nepal.

The NSS, comprises representatives from Nepal Pashmina Industries Association (NPIA), Federation of Nepalese Chambers of Commerce and Industry, Nepal Chamber of Commerce, Confederation of Nepalese Industries, Ministry of Agriculture Development and MoCS.

After a series of meeting with ICT representatives involving government officers and private sector representatives in Nepal in July, the government had recently put forth a formal request to the Geneva-based organization for its support to boosting production and export of Chyangra Pashmina.

The three-member delegation, which includes senior expert on textile and clothing Matthias Knappe, trade support institutions expert John Gillies and country manager for Nepal Govind Venuprasad had held initial discussions with Nepali officials and private sector leaders on supporting Chyangra Pashmina, during its four-day mission."

"We are calling a meeting of technical committee to finalize the ICT´s proposal within a couple of days. We will send the final proposal to ICT once our NSS endorses the technical committee´s proposal. Then process of signing a formal agreement with ICT will be initiated," said Gyawali

"We are planning to forward the final proposal to ITC by December this year for EIF board´s approval," said Buddhi Prasad Upadhyaya, EIF National Program Manager for Nepal.

According to Upadhyaya, total cost of the project for promotion of Pashmina has been proposed at US$ 2 million, which includes US$ 1.8 million to be provided by ITC and US$ 200,000 from the Nepal government.

The three-year project is expected to strengthen the competitiveness of Chyangra Pashmina by establishing backward linkage with value-chain among mountain goat farmers, wool processors and exporters and forward linkage that includes promotional activities such as publicity of the trade mark, international marketing and advertisement in the global media.

The project includes nine actions, including promotion of mountain goats farming, setting up pashmina processing plants on cooperative basis, implementation of sericulture projects to boost production of silk, setting up quality testing lab, conducting feasibility study to set up pashmina spinning plants and promotion of Chyangra Pashmina trademark in the international market, among others.

Nepal Pasmina Association has appealed to ITC to impart trainings to Nepali pashmina designers and organise promotive programmes in USA, Germany, UK and France, the big importers of Nepali pasmina.

Nepal exports pashmina to 81 countries in the world and the mountain goat pashmina have got registered in 41 countries as Nepali trademark, said association's chairman Pushpaman Shrestha.

According to Trade and Export Promotion Center, Nepal exported pasmina worth of Rs. 1.9 billion to Germany, France, USA and UK in the last fiscal year.

Regional connectivity meet discussed for more access

The two-day regional meeting for transport agreement, envisioned to increase connectivity in South Asia, which started in Maldives on 18th November discussed on more access to each other's market to boost regional economic growth.

Though SAARC has made significant strides in terms of completing various studies on transport and connectivity like SAARC multimodal transport study identifying road, rail and inland waterway corridor for better connectivity in the region, South Asia is one of the least integrated regions in the world, according to trade analyst Dr Ratnakar Adhikari.

Though member countries of South Asian Association for Regional Cooperation (SAARC) had already agreed in principle to establish road and railway links with each other to bolster regional economic cooperation in December 2009, they discussed on further implementing the suggestions.

Among the suggested SAARC road corridors, corridor-2 connecting Kathmandu to Kolkata/Haldia via Birgunj, corridor-4 connecting Kathmandu to Mongla and Chittagong via Fulbari-Banglabandha, corridor-7 connecting Kathmandu to Karachi via Nepalgunj-New Delhi-Lahore, and corridor-10 connecting Kathmandu-Bhairahawa-Lucknow, will connect Nepal to other countries in South Asia.

Likewise, out of the five railway corridors, two railway corridors, one connecting Birgunj with Kolkata/Haldia, and the other connecting Birgunj with Mongla-Chittagong via Katihar-Rohanpur could provide connectivity for Nepali transit traffic.

"Lack of transit transport cooperation is a key bottleneck in regional economic integration in South Asia," he said, adding that LLDCs like Nepal are the major losers but coastal countries too suffer a huge cost of non-cooperation. "LLDCs suffer due to their dependence on transit-providing countries as it is a sticky issue despite its potential for facilitating intra-regional as well as extra-regional trade."

MoI starts consultation with pvt sector to reopen PEs

Ministry of Industry (MoI) has started consultation with private sector to seek possibilities of operating closed Public Enterprises (PEs).

Following the cabinet decision to reopen three Public Enterprises — Birgunj Sugar Mill, Agriculture Tool Factory and Butwal Dhago Udhyog — in the beginning of October, the Ministry of Industry has started seeking suitable modality of operating those Public Enterprises, said spokesperson at the ministry Yam Kumari Khatiwada.

Those three public entities were closed due to regular political bickering and financial mismanagement apart from their inefficiency in competing with imported products. However, the Office of the Prime Minister and the Council of Ministers had also brought an Immediate Action Plan to Reform Governance and Economic Sector targeting reviving some closed public entities last month.

The government had asked the Ministry of Industry to bring private sector or seek other options to reopen those closed public entities. The action plan had mandated the ministry to complete the operation process of most of the Public Enterprises within a year, Khatiwada said, adding that it is a very tough process to select appropriate private party to operate the closed Public Enterprises.

The ministry will also study utilisation of land and other infrastructure of Janakpur Cigarette Factory. The Public Enterprises Directorate Board will recommend a suitable option of utilising land and infrastructure of the cigarette factory, she said.

"The ministry is formulating its own separate action plan to implement the plan endorsed by the Office of the Prime Minister and the Council of Ministers." The ministry will form a taskforce before completing action plan.

The taskforce will be responsible to study practical aspects of reopening Public Enterprises and submit a report to the ministry soon. The taskforce will also be responsible to provide modality of managing employees of closed Public Enterprises and chances of utilising infrastructure.

The ministry will also fix recommend tentative base rate to lease the Public Enterprises before leasing them to private sector, she informed. It is likely that the ministry will ask private sector to submit their operation plan of the closed Public Enterprises and grant them the opportunity based on their proposals. "The consultation meetings will select most convincing proposal," Khatiwada added.

Dollar starts appreciating again

The exchange rate for the US dollar has once again started its ascent against the Nepali currency as the Indian currency has weakened in the international forex market. Nepal Rastra Bank has determined Rs 87.95 as the exchange rate for the buying rate for tomorrow based on today's forex trading. The Nepali currency that is pegged to the Indian currency slid as the Indian currency slipped to a two-month low at IRs 55.16.

Forex analysts have blamed concerns over the macroeconomic scenario in India for the current slide of the Indian currency. The exchange rate of US dollar that had reached Rs 91.28 in June — the highest ever — weakened after the Indian government took steps to reform its slowing economy. The exchange rate for the dollar had reached Rs 82.39 in October.

Families who receive remittance from abroad benefit from the appreciation of the US dollar. Likewise, a higher US dollar exchange rate is desirable for exporters while the situation causes the price of imported goods to increase.

Farmers prepare wish list for agriculture strategy

The National Farmers' Coalition has prepared a number of recommendations to promote smallholder agriculture, revolutionary land reform and higher productivity through commercialization for inclusion in the policy option report of the Agriculture Development Strategy (ADS).

The policy option report is the third phase of the ADS project which will identify, analyse and recommend preferred policy options to prepare a roadmap for a 20-year vision and 10-year planning horizon along with concrete action plans to achieve them.

The agendas to promote growth of smallholder agriculture includes reviving the subsidy scheme, farmers' access to finance, introducing crop insurance, local and international market access to farm products, small irrigation facilities and establishing information centres, among others.

Under revolutionary land reform and higher productivity, the farmers' group has recommended introducing progressive taxation, integrated digitalized land documentation system, genuine land reform to landless farmers, discouraging hybrid seeds and conserving local seeds, promotion of production and use of organic fertilizer and establishing pocket areas, among others.

The structural change recommendations include establishing farmers' courts and farmers' commissions to ensure their rights. "We have prepared more than 100 agendas, and have started discussing them minutely from Sunday to recommend them for the policy option report," said Mahendra Khadka, who represents the farmers' coalition at the steering committee of the ADS project.

"Although, the ADS has been drafted under development perspectives, it did not clearly reflect a strategy to promote growth of smallholder agriculture," he said, adding that the farmers' alliance would debate line-by-line every strategy proposed by other stakeholders. As traditional agriculture offers few opportunities for rural youth, around 1,600 Nepalis have been leaving the country daily to work abroad. "Among the strategies, a plan to lure Nepalis toward farming will be among the crucial ones."

The farmers' group has also recommended including peasants' rights among four components under which the ADS has been currently prepared. The ADS has been prepared under governance, productivity, commercialization and competitiveness and profitability.

Although the ADS team had asked the government, stakeholders and the farmers' group to submit recommendations by Nov 15, only the Ministry of Agriculture Development (MoAD) has submitted its recommendations within the deadline.

The MoAD has recommended preparing a sector-wise and region-wise agriculture strategy. The ministry has also pointed out that the ADS draft is silent on the agriculture infrastructure part. The ministry has recommended putting together the necessary infrastructure to ensure production, supply and distribution of fertilizers and infrastructure for lease and contract farming.

Similarly, it has recommended establishing companies and regulations for contract farming. The ministry has also pointed out that the draft is unclear about commercializing smallholder farmers who own less than 0.5 hectares of land.

"There are lots of issues to be discussed before finalizing the policy option draft," said Surya Prasad Paudel, a member of the committee. As per the policy, an agriculture roadmap for 10 years will be prepared. Paudel said that a round of discussions had been conducted and further discussions would be held to reach a consensus among stakeholders. "If things go as planned, the policy option report will be prepared by Dec 20," Paudel said.

Preparing an action plan and a roadmap is the final phase of the ADS which is expected to be completed by March 2013. The ADS will supersede the existing Agriculture Perspective Plan (APP) by 2015. The APP, which was issued in 1995 as a 20-year vision and strategy for agriculture-led growth, was implemented in 1997.

A number of donors including the International Fund for Agricultural Development, European Union, Food and Agriculture Organisation, Swiss Agency for Development and Cooperation, Japan International Cooperation Agency, Denmark Agency for International Development and United States Agency for International Development have also supported the government in drafting the ADS.

The ADS preliminary vision has envisaged that under the GDP and agricultural GDP growth assumptions of 8 percent and 5 percent, the agricultural GDP will more than double from its current level of about US$ 6 billion to almost US$ 15 billion while the share of agriculture in the GDP declines from 33 percent to 19 percent and labour productivity in agriculture increases from US$ 794 per agricultural worker to US$ 1,833.

More financial institutions opt for mergers

Almost half the existing financial institutions are opting for a merger as market forces have compelled them to consolidate due to the shrinking market pie.

"Some 22 financial institutions have acquired final approval from Nepal Rastra Bank (NRB) to merge into 10 financial institutions, besides the 23 that have already got a Letter of Intent from NRB," said spokesperson for NRB Bhaskar Mani Gyanwali. Likewise, more than 50 financial institutions are looking for suitable partners, he added.

Mergers were instrumental in reducing the number of operating financial institutions from 219 at the end of fiscal year 2010-11, to 213 by the end of fiscal year 2011-12. Last fiscal year, three finance companies merged with two commercial banks, seven development banks and five finance companies completed mergers with each other.

The end of last fiscal year saw the emergence of Global IME Bank — merged entity of Global Bank, IME Financial Institution and Lord Buddha Finance — and merged Machhapuchchhre Bank with Standard Finance.Commercial banks like NIC Bank and Bank of Asia Nepal, and Kumari Bank and Siddhartha Bank are also looking to merge.

Even though the Nepali financial system is not witnessing mergers as expected after the central bank announced its merger guidelines to encourage financial institutions to merge, the number of mergers being undertaken by financial institutions has grown over the past year.

"Mergers will not take place just because of a few policy level changes. The market will compel financial institutions to opt for a merger as it is happening now," pointed out Gyanwali.

For most financial institutions, consolidation has become the best weapon to fight for survival in the present overcrowded market. As of recent, the amount of deposits has gone up but borrowers have become scarce, and financial institutions have realised the importance of mergers.

Moreover, the fast approaching deadline for increasing their paid up capital to the regulatory requirement which will be over with the end of the current fiscal year, has compelled financial institutions to opt for mergers as the best possible measure.

According to regulations, commercial banks have to increase their paid up capital to Rs two billion, national level development banks to Rs 640 million, and national level finance companies need to have their paid up capital at Rs 200 million.

"For most financial institutions, a merger is one measure that will help them meet the capital requirement by the deadline, thus instances of mergers have increased of late," pointed out president of Nepal Finance Companies Association Rajendra Man Shakya.

NRB had implemented the merger policy as the best measure to deal with the excessive number of financial institutions in a market the size of Nepal, which is unsustainable for the overall financial sector.

Likewise, NRB has been directing financial institutions promoted by the same group to merge. The merger between Global Bank and IME Financial Institution, and the upcoming merger of Bank of Asia Nepal and NIC Bank has been pushed by NRB because they both have common promoters.

IB allows insurers to invest in mutual funds

The Insurance Board, the insurance sector, is allowing insurance companies to invest in mutual funds widening the investment avenue for both life and non-life insurers.

Announcement on the latest change in the Insurers Investment Directive will be made soon, Dr Fatta Bahadur KC, chairman of the Board said.

Currently, insurance companies are allowed to invest in government bonds, corporate bonds, non-transferable preference shares, fixed deposits of banks and financial institutions, and stocks of public companies. However, in the case of putting money in investment funds, insurers were given only one option of state-owned Citizens Investment Trust (CIT).

Once the amendment comes into effect, life and non-life insurance companies can invest up to five percent of the gross investment amount in CIT or mutual funds.

As of now, life insurance companies are allowed to invest up to five percent of the gross investment amount in CIT. Similarly, in the case of non- life insurance companies, up to 20 percent of gross investment amount can be invested in fixed deposit accounts of development banks and CIT. With the latest change, non-life insurance companies can invest up to 15 percent of the gross investment amount in fixed deposit accounts of development banks and another five percent in CIT or mutual funds.

The latest amendment in the Insurers Investment Directive comes at a time when Siddhartha Mutual Fund is all set to float Siddhartha Investment Growth Scheme-I - the first since promulgation of the Mutual Fund Regulation.

The amount thus generated will be invested in the stock market and initial public offerings, according to Dhruba Timilsina, CEO of Siddhartha Capital Limited -- a subsidiary of Siddhartha Bank and manager of Siddhartha Mutual Fund. "But unlike investment in government bonds and debentures, investors taking part in the scheme will not be pledged a fixed return in advance."

Contd on page 11

IB allows insurers to invest .....

Under the scheme to be launched for public on November 28, the Fund is issuing 40 million units of securities with a face value of Rs 10. These securities will mature in five years.

This means whatever profit made by mutual funds will be distributed equally among investors, but in case of losses, investors will lose equal amount of money as well.

"Although the scheme is not risk-free, it allows individual investors, who do not have idea on how stock market operates, an opportunity to make investment in secondary market. Besides, mutual funds are operated by a group of experts who have good understanding of various markets," Timilsina said.

Agreement on zero-tariff facility for Nepali products in Chinese market

An agreement has been signed on last week Monday for further expanding coverage of the zero-duty facility to Nepal for export items to Chinese market.

At a programme organized last week at the premises of the Ministry of Commerce and Supplies, Secretary of the Ministry, Lalmani Joshi and Chinese Ambassador to Nepal, Yang Houlan, signed the agreement. China is to provide zero-tariff facility on 7,787 items by increasing from 4,721 items.

On the occasion, Secretary Joshi expressed the confidence that the facility provided by China to Nepal will help reduce trade deficit between the two countries and urged China to increase investment in Nepal.

Similarly, Ambassador Houlan said that China has given the facility upto 95 per cent of the total tariff line on exported items to China and expressed the confidence that the facility will increase Nepal´s export.

More than 266 items to be exported to China by 2013 will get entry into Chinese market with zero-tariff facility. China had been charging customs tariff from three to 35 per cent on different items.

Joint-Secretary at the Ministry, Naiandra Prasad Upadhyay said that there is a demand of handicraft items, Pashmina, vegetable ghee, among others in China and added that it will help reduce trade deficit if Nepal could produce more items, on which China has given the facility.

South Korea asks 5,700 Nepalis to reapply for EPS jobs

The South Korean government has sent names of around 5,700 candidates out of around 9,000 candidates who failed to get jobs under Korea´s Employment Permit System (EPS) to reapply at EPS-Nepal office to retain their candidature in job roster of Human Resource Department (HRD) of Korea.

Responding to the move by Korea, the government has initiated the process to re-register applications of those who couldn´t get opportunity for Korean jobs even after getting registered in roster of HRD in 2011.

EPS-Nepal Office has publicly called 3,693 job hopefuls as randomly selected by the HRD Korea to re-register their applications to refresh their bid for the jobs in the Asia´s fourth largest economy. Of those notified for the re-registration, around 700 are female job seekers.

"We have opened the re-registration of applications of 3,693 job seekers who were listed in the job roster and have not yet got an opportunity to sign job contracts so that they can continue their candidature for jobs in Korea under EPS," Gyan Nath Dhakal, acting chief of EPS-Nepal Office said on Sunday.

A high level source at the Ministry of Labor and Employment (MoLE) said that HRD Korea has also sent a list of around 2,000 more candidates to EPS Nepal to initiate the process to re-register them in the roster. "We will also notify 2,000 more candidates soon for renewing their applications for EPS jobs," said the source.

HRD Korea has been randomly selecting the names from the job rosters to call for re-registration of the application. Situation to reregister the applications of those already included in the job roster emerged as their medical reports, which is valid for a year, has either expired or are expiring soon.

As per the existing provision, names of candidates will be de-registered from the roster once their medical reports´ validity expires. Those, who want to quality for EPS jobs again, have to pass medical test and re-fill the job application at EPS Nepal Office.

Data shows that 15,500 youths registered in HRD´s job roster after qualifying through the Test of Proficiency in Korea (TOPIK)- Korean language test and heath check up to vie for Korean jobs in 2011. However, only 6,039 of them have actually signed labor contracts, meaning around 9,000 candidates would have to re-register.

"To keep their hope still alive for Korean jobs, remaining workers who couldn´t get contracts offer have no option but to re-register their application," said Dhakal.

Under EPS, the validity of TOPIK certificate is set for two years. But the Korean government can delete the names of the job seekers after a year of their registration in the job roster.

EPS-Nepal office has set November 27 deadline for the candidates to complete their health check up and re-register their application by December 1.

Nepali brand “Everest toothpaste” re-launched

Everest Cosmetic Products (ECP) has re-launched Everest toothpaste in the market recently. UCPN (Maoist) Chairman Pushpa Kamal Dahal re-launched the product amidst a function in the capital on Friday. The company has re-launched its toothpaste brand ‘Everest’, which had clinched the title spot in a quality contest held in London in 1982 and in Italy in 1983.

The company announced the revival of the toothpaste brand, which was initiated 30 years ago. UCPN (Maoist) Chairman Pushpa Kamal Dahal launched the new brand. Addressing the programme, Dahal said the re-launch of a toothpaste industry would convey a positive message and help the country start its journey towards industrialisation. “Everest toothpaste has got both—a title which Nepal can be proud of and quality which has been proven even in international markets,” Dahal said, urging Nepali consumers to help flourish domestic industries by consuming domestic products.

Everest Cosmetics Chairman Kishor Khanal said the company was elated to re-launch a brand which had successfully served the Nepali people ‘a long ago’. “Everest was a trusted name and was known for its quality. We are determined to provide better quality and set up a new benchmark in the domestic market,” Khanal said, highlighting the need of proper focus from the government to uplift such kinds of industries which can help boost domestic industries’ morale.

Initially, Everest Cosmetics has come up with Everest toothpaste in three packs—50 gm, 100 gm and 150 gm. The 50-gm pack has been priced at Rs 18 and the 100-gm pack at Rs 38. The company has yet to price the 150-gm pack. According to company, all these products will be available in the market after Tihar. “We have already established a dealership network across the country. Consumers will get this product as soon as the festival ends,” said.

Navin Kandel, director of Everest Cosmetics said the company would also come up with an effective marketing strategy to increase its penetration in the local market. “As we are bound to compete with numerous multinational brands, we will slowly increase our product portfolio and penetration, rather than making any aggressive move,” he added. The company also plans to eventually come up with a range of cosmetic products such as Everest brush, Everest Gel and Everest Fresh in the near future.

Besides investment in infrastructure and machinery, Everest Cosmetics has put in Rs 10 million to start production. The company will use its infrastructure in the Patan Industrial Estate. According to Kandel, the factory has production capacity of around 50,000 toothpaste tubes a day.

“The re-introduced products are of high quality and more competitive in terms of prices,” said Kishor Khanal, chairman of ECP. Khanal added that the company had closed productions due to the lack of proper industrial policy during insurgency in 2002.

“When Everest toothpaste was available in the market, international brands had faced difficulty to compete it,” said Saurabh Khanal, marketing director of the company.

“We will be re-introducing Everest toothbrush in the Nepali market from January. We will also be introducing Everest Ice Cool - a gel based toothpaste which will be manufactured by using water from the Everest after two or three months,” said Saurabh.

Aarati Strips starts production of colored corrugated sheets

Aarati Strips, an Indian multinational firm, promoted by Indian firm Bhusan Power and Steel Ltd, established in 2002 in Tanki Sinuwari of Morang, has started a new production unit with an investment of Rs 1.2 billion to roll out colored corrugated sheets from Sunday.

The Biratnagar-based factory has been producing plain sheets only. With the fresh investment, the total money invested by the company for the production of steel sheets has reached Rs 2.5 billion. The firm announced the beginning of its commercial production at a program organized in the premises of the factory.

“We started production of corrugated color sheets in view of their high demands in mainly hilly areas of Nepal and Indian markets,” said Sanjeev Sharma, vice-president of Aarati Strips. Sharma claimed that the life of colored sheets is three time higher than that of plain sheets. Price of the colored sheets has been priced at 25 percent higher than plain sheets. “We are producing international standard corrugated sheets using advanced technology with automated production process,” he added.

The company will provide employment opportunity to more than 1000 people once it run in full capacity. The firm has been employing around 500 people.According to Diwas Nepal, administration chief of the factory, the company was capable of producing different colored sheets in short duration as per the demands from the customers.

According to the company officials, the firm has a capacity to produce up to 40,000 metric ton of steel sheets annually. Aarati Strips produced steel sheets worth Rs 9.5 billion in last fiscal year. The company stated it had paid Rs 1.2 billion in VAT to the government in last fiscal year.

Soaltee Crowne Plaza bags World Travel Awards 2012

Soaltee Crowne Plaza Kathmandu has won the prestigious World Travel Awards (WTA) 2012 — also described as the 'Oscars of the travel industry' by the Wall Street Journal — for 'Nepal's Leading Hotel'.

"We are absolutely delighted to win the award," Soaltee Crowne Plaza Kathmandu general manager Nalin Mandiratta said, speaking at the award distribution ceremony in Singapore. "It makes us proud to be recognised on a global platform," he said.

Established in 1993, the World Travel Award serves to acknowledge, reward and celebrate excellence across all sectors of the global travel, tourism and hospitality industry.

Nominations are gathered by region and voting is carried out by millions of travel agents and tourism professionals from more than 164 countries, including visitors to World Travel Award's website who are encouraged to submit their votes via the online voting system.

Listed at Nepal Stock Exchange, Soaltee Crowne Plaza Kathmandu is a five star deluxe hotel managed by InterContinental Hotels Group PLC and boasts an array of amenities like 282 rooms, seven meeting spaces, city's finest specialty restaurants and bars, state-of- the-art fitness centre, beauty salon along with various recreational facilities making it a preferred destination for business meetings, leisure and all celebrations.

Chidambaram asks banks to fund residential projects to revive faltering growth

Finance Minister of India P Chidambaram has asked banks to lend a helping hand to builders, particularly those involved in construction of residential properties, in order to revive faltering economic growth. The minister discussed the problems of the real estate sector with the chiefs of state-run commercial banks at a meeting last week in New Delhi. Bankers who attended the meeting described the broad thrust of Chidambaram's comments, but declined to speak on record.

"The minister asked banks to fund those residential projects that are stuck for want of funds. This, according to him, will help kickstart the economy," said a bank chief who attended the meeting.

In August this year, shortly after returning to the ministry, the finance minister had asked banks to put pressure on builders to lower prices in order to reduce a growing inventory of unsold apartments. During the meeting, Chidambaram reviewed a report prepared by Ajai Kumar, CMD of Corporation Bank on unsold stock in the real estate market and the way ahead. The report highlighted the need for builders to arrange their own resources for equity. ET BUREAU

Union Cabinet of India okays private sector investment in railways

NEW DELHI: Desperate to attract private investment in the cash-strapped railways, the Cabinet on Thursday cleared the state-run transporter's plan to rope in the private sector for building new rail lines and plants, and augment capacity, a move that was red-flagged by the unions.

With the policy in place, the railways will be able to get the private sector to connect ports, mines and industrial plants with the rail network by allowing them to invest in laying the tracks for last-mile connectivity. The move is expected to lower the transportation cost and help evacuate minerals, coal and finished products from the production centres.

Similarly, wherever the private sector thinks that putting up a third or a fourth line is feasible, the government can enter into a build-operate-transfer (BOT) arrangement. Sources said some of the lines could be taken up under competitive bidding through an annuity model for concession periods raging between 15 and 20 years.

Railways had earlier suggested that connectivity to ports and mines would be developed by the owner or concessionaire as private railway lines by acquiring land and making investments in it which could be declared non-government railway (NGR) for public carriage of goods. In a statement, the government, however, said the model agreements for private participation — ranging from NGR to BOT, joint ventures and capacity augmentation via funding by customers — would be finalized soon.

The move comes as the railways, in the absence of fare increase, has failed to generate resources for funding modernization, leave alone capacity addition despite successive rail ministers adding new trains to appease their constituency. In fact, it has repeatedly failed to meet the targets. TNN

Railways looks to run Delhi-Mumbai trains at 200 kmph

NEW DELHI: Much before bullet trains become a reality, travel time between Delhi and Mumbai is likely to reduce substantially with railways planning to launch semi-high speed trains with a top speed of 200 kmph. A railway official said a study to identify the need to strengthen the infrastructure for this service was nearing completion and work would start soon. The services could start by 2017.

"A study was on for the past one year to identify bridges that needed strengthening, better signaling and easing sharp curves for such service. The upgrade will take about four years from the launch of work. The existing lines can be used for fast moving trains at 200 kmph as freight trains will shift to the dedicated freight corridor (DFC)," said R Ramanathan, Railway Board additional member (civil engineering). He was speaking on the sidelines of a CII summit on urban transport on Thursday.

At present, Rajdhanis, the fastest running trains on this corridor, have a maximum speed of 120 kmph. DFC managing director R K Gupta said the dedicated lines for freight will decongest the existing tracks. He added that this will increase average speed of freight trains from the present 25 kmph to 75 kmph. He said transit time would come down by half (for example Mumbai-Delhi in 24 hours).

"Though the average speed of freight trains on the existing lines hovers around 25 km as we use the same track for passenger trains and the latter get priority over freight trains," Gupta said. He added that carrying capacity on the dedicated corridors would be much more than what is available now.

The first phase of Rewari-Vododara of Western DFC will be commissioned by December 2016 and the entire line - from Dadri (UP) to JN Port (Mumbai) - will be operational by March 2017. TNN

Government gives a nod to Rs 622 crore project at Kandla Port

NEW DELHI: The government of India on Thursday, 22nd Nov approved a Rs 622 crore project for import of crude oil at Kandla port that will enhance its capacity by 12 million tonnes per annum (MTPA) to 104 MTPA.

"The Cabinet Committee on Infrastructure (CCI) on Thursday approved the project for development of Single Point Mooring (SPM) and allied facilities for the import of crude oil off Veera in Gulf of Kutch at Kandla Port," an official statement said.

The project will be built on a build, operate and transfer basis (BOT) with a concession period of 30 years at an estimated cost of 621.53 crore, it said.

Kandla port is strategically placed to function as a gateway to Western and Northern India, particularly for import of crude oil. There are several refineries in the North-Western India that require support facilities like SPM, the government said. PTI

FDI in retail will make us a nation of salesboys and salesgirls: Arun Jaitley

NEW DELHI: Leader of Opposition in Rajya Sabha Arun Jaitley on Thursday hit out at the government for moving ahead with Foreign Direct Investment (FDI) in multi-brand retail in a haste.

Citing ill effects of FDI in retail which can be seen in Thailand and England, Jaitley said that India will become a nation of 'salesboys and salesgirls'.

According to Jaitley, the biggest benefit of eliminating middlemen goes to retail chains rather than the producers of goods. Attempting to quash arguments of benefits of retail FDI in China, Jaitley said that China will not oppose retail chains like Walmart because they are selling things that are manufactured there itself.

Standing by BJP's demand for a debate on the issue, Jaitley said that Parliament is above the government and a voting on FDI in retail is a must. He rejected the government's stand that FDI in retail is 'set-in-stone'.

Accusing the government of running away from a debate on FDI, Jaitley reiterated that the Parliament's approval is a must. "Government is going back on its promise of building consensus," he added. AGENCIES

Car wars: Maruti on top; Hyundai, Tata Motors, M&M, Toyota in race for 2nd spot

Maruti Suzuki is leader by far, but the No 2 spot in the Indian passenger vehicles could be anybody's game in the next couple of years, with at least four carmakers in the race for that position, reports ET.

In four months of the current fiscal - May, June, September and October - Mahindra & Mahindra (M&M) made a unique breakthrough in the Indian passenger vehicles space: it sold more vehicles in these months than the country's third largest carmaker Tata Motors, buoyed in the main by explosive growth in demand for utility vehicles.

For the overall seven months till October 2012, however, Tata Motors is still No 3 in terms of sales volumes. But the gap at the top is narrowing. Although Maruti Suzuki is way ahead of the pack for now, it's the No 2 position currently held by Hyundai that is up for grabs.

The Korean carmaker for its part has its own strategy to keep the challengers at bay even as Tata Motors and M&M attempt to pile on the pressure. They aren't the only ones. The Japanese troika of Toyota, Honda and Nissan appear to be finally getting it right on Indian soil, scoring rich gains in the April to October period of 2012 over a year ago.

Toyota and Honda have upped their share by 0.7% each to 6.4% and 2.9% respectively, with Nissan gaining another 0.6%, even as the Detroit giants and Volkswagen ceded some ground in this period over the first seven months of the previous fiscal period. "As themarket grows and carmakers expand their product line and distribution network, there will be some inevitable changes in share of the market leaders with some growing faster than the others," says Rakesh Batra, national leader (automotive), Ernst & Young. ET BUREAU

BMW, Audi and Mercedes's dual strategy: Produce more locally, import higher-end

NEW DELHI: Germany's luxury carmakers BMW, Audi and Mercedes-Benz are embarking on a two-pronged game plan to boost sales in the New Year: produce more cars locally, thereby making them more price-competitive; and, at the same time, import new models - at least a dozen between the three of them - to keep the allure of their brands going.

Leading the pack is BMW, which will assemble its flagship 7 Series sedan at the Chennai plant from next year and later roll out the all-new compact hatchback 1 Series from the same plant. BMW plans to launch three new products next year to maintain its leadership over Audi and Mercedes Benz.

BMW currently assembles the X1 SUV at Chennai and will roll out its new version from January onwards for the Indian market. The product offensive will continue with next generation of the 7 Series and 1 Series hatchback slated to hit Indian roads in the second half of 2013.

BMW is currently struggling to hit the previous fiscal year's level of sales. It has sold 12% less car in the April to October period even as arch-rival Audi's sales jumped 53% in this period, resulting in both carmakers running neck and neck with sales of a little over 5,000 sedans and SUVs.

Philipp von Sahr , BMW Group India's newly-appointed president, remains confident of achieving the previous year's target. "We are not chasing volumes, but are surely looking at some improvement in sales helped by the new product launches. We faced a slack period due to the model change of the high-volume 3 Series sedan, but will gain incremental numbers with the recently launched X-6 and other models."

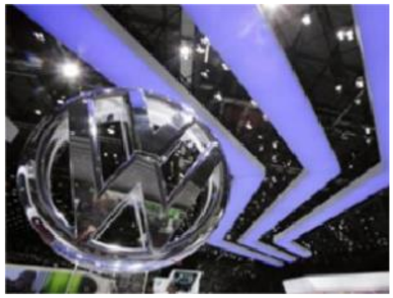
On Thursday, 22nd Nov, BMW launched the new X6 Sports Activity Coupe at a Delhi ex-showroom price of Rs 79 lakh for the diesel variant and Rs 93.4 lakh for petrol. The world's largest luxury carmaker also plans to almost double its dealerships in India to 50 by 2014. Meantime, Audi will start assembling its compact SUV, the Q3, next year and will bring the new version of its hugely popular Q5 SUV.

The all-new R8 PI coupe is also expected and the company is contemplating bringing the Audi S6 sedan to the Indian market. It has already launched the S4 sports sedan, the Q3 SUV and the iconic TT couple to increase its portfolio, and would double its dealerships across India to 25 by the end of 2012 calendar year. Mercedes Benz has been lagging behind with sales of 3,651 cars in the first seven months of the fiscal year, a 10% decline over a year ago.

It is now counting on the compact crossover B Class, which was launched in September, and the A Class hatchback, to be unveiled in 2013, to drive sales.

"We would start assembling the new GL Class SUV at our Pune plant next year. Besides, the all-new S Class, B Class CDI and the all-new A Class in both diesel and petrol variants are also a part of the launch plan of 2013," a senior Mercedes-Benz executive said. From just 3,000 cars five years back, more than 25,000 cars are being sold every year, and demand is expected to exceed 100,000 by 2020. ET BUREAU

German luxury car maker Volkswagen to set up distribution centre for parts at Bhiwandi



MUMBAI: The German luxury car maker Volkswagen on Thursday, 22nd Nov performed the ground breaking ceremony for setting up its regional parts distribution centre(RDC) at Bhiwandi (Thane), which is expected to be completed by the first quarter of 2014. This is the second depot by the Volkswagen group in the country under its 'depot network development project' after Gurgaon, a press release said here.

The ceremony was kicked off with the traditional bhoomi-poojan in the presence of group's Managing director (India sales) Dorizas and Dietmar Hildebrandt, director group service, it said.

"The group has decided to strengthen the current after- sales services by forming the RDC in Bhiwandi and further strengthen the relationship that we share with the domestic customers," managing director, Volkswagen Group Sales India, Gerry Dorizas said. The centre will cater to western, southern and eastern regions that account for 60-65 percent of the genuine parts sales for the group in the country.

Being strategically located, the centre once completed will significantly contribute to the reduction of the current lead time to provide genuine parts to dealers and service centres, the company said.

Spread over an area of 21,000 square metres, the facility will be equipped with state-of-the-art warehousing software called the ET2000 that has been specially designed for India.

The Centre expects to deliver parts within 24 hours to the Group's dealer network in the western region and 72 hours for in southern region, the company said. PTI

Five per cent ethanol to be mixed in petrol from December

NEW DELHI: Mandatory mixing of five per cent ethanolin petrol will be implemented across the country from next month, Cabinet Committee on Economic Affairs of India decided on Thursday, 22nd Nov, a step which will help the country save around 100 crore litres of fuel every year.

In 2009, the CCEA had decided to mix five per cent ethanol in petrol but it could not be implemented due to opposition by some sections in the chemical and petroleum sectors.

"The five per cent mandatory ethanol blending with petrol should be implemented across the country, for which the Petroleum Ministry will issue a gazette notification in a next few days, for oil companies to implement from 2012-13 sugar season, effective from December 1, 2012," an official release said.

"The CCEA also decided that the price of bio-ethanol, to be mixed with petrol, would be decided by oil-marketing companies and its suppliers," it said.

The proposal moved by the Ministry of New and Renewable Energy is expected to help the country in cutting down the oil bill for 100 crore litres of petrol and also help in reducing carbon dioxide and carbon monoxide emissions by around 15 per cent.

The ethanol-blending programme is presently being implemented in a total of 13 states with blending level of about two per cent against a mandatory target of 5 per cent. In the backdrop of reservations against the proposal that domestic suppliers would not be able to meet the supply requirements, the government has also allowed import of ethanol in case of shortfalls.

The proposal moved by the Ministry of New and Renewable Energy is expected to help the country in cutting down the oil bill for 100 crore litres of petrol and also help in reducing carbon dioxide and carbon monoxide emissions by around 15 per cent.

Ethanol is a by-product of sugarcane. States such as Uttar Pradesh and Maharashtra are the largest producers and can be developed as major suppliers of it, officials said. ET BUREAU

IIT to train professionals on quake-resistant constructions

AHMEDABAD: Indian Institute of Technology Gandhinagar (IIT-GN) today said that it will impart training to civil engineers and professionals on makingearthquake safe buildings and structures. They would be trained through a short course titled 'Seismic Design of Reinforced Concrete Buildings', beginning from November 26.

"The idea is to enable professionals to plan and direct construction activities appropriately. At end of the course, the participants are expected to have an understanding of the seismic design concepts, procedures and best practices," IIT-GN Director S K Jain said.

"We are getting a number of applications for the course from across the country," said Kiran Rangwani, the course organiser. The course will help professionals have a better understanding of seismic design constructions.

Applicants include representatives from Government organisations like Rural Water Supply and Sanitation Engineering Department of Andra Pradesh, Aizawl Water Supply Project and Delhi Metro Rail Corp, among others. PTI

Bharat Wire Ropes to invest Rs 500 crore in new plant in Maharashtra

KOLKATA: Bharat Wire Ropes (BWR), a manufacturer of specialty wire ropes, is planning to invest Rs 500-crore in a wire rope manufacturing project at Chalisgaon, Maharashtra. With this, BWR's total manufacturing capacity will go up to 76,000 tonnes from the present level of 10,000 tonnes.

This will also be a step forward in the company's aim to become a major player in the global wire rope industry. BWR already caters to a rich mix of clients ranging from overseas customers, private players, the defense sector, Railways, government and semi-government organizations.

Commenting on the company's expansion plans, M L Mittal, promoter and managing director, BWR said: "The Chalisgaon project will be an integrated facility with pickling, patenting galvanizing, wire drawing, stranding and closing - all under one roof.

The machinery is being imported from Germany, Italy and Spain. While the civil work has already started, the target date for commissioning the new project is July 2014."

A corporate finance expert with over two decades long experience with the Welspun group, Mr Mittal, along with two other entrepreneurs acquired BWR for Rs 200 crore in 2010 through a special purpose vehicle, Gaji Mercantile.

BWR, which was promoted by Sunderji Shah and Devchand Shah about 35 years back, claims to be the country's second largest wire rope company after Usha Martin promoted by the Jhawar group. "We are targeting nearly half of our production for the export markets across the world and the remaining will be sold in domestic market. We are confident of good demand for wire ropes from leading international players in oil& gas, mining, elevators and the infrastructure sector," Mr Mittal added. ET BUREAU

Greece loses 400,000 civil service jobs to crisis

MOSCOW: The number of Greek civil servants has fallen by 400,000 in three years of crisis, Administrative Reform Minister Antonis Maniatakis said. There were nearly one million civil servants in 2009 but now there are just 640,000, he told a parliamentary hearing.

Considering that more than 40,000 will be pensioned off before the end of the year, no more than 600,000 will be left, he added. More civil servants should be moved into sectors such as the police, education, local administrations and healthcare, he said.

There were nearly one million civil servants in 2009 but now there are just 640,000, he told a parliamentary hearing. Considering that more than 40,000 will be pensioned off before the end of the year, no more than 600,000 will be left,

Wage and personnel cuts in a number of public sectors are part of new austerity measures approved by parliament last week and were vigorously opposed by civil servants.

"We continue our battle to demand from the government that there isn't a single layoff in the public sector," said Kostas Tsikrikas of civil servants' trade union ADEDY, according to Euronews.

Civil service employees have also seen their salaries cut 40 percent since 2010 and their holiday bonuses scrapped. IANS

Japan, India to cooperate on rare earth production

Japan has signed a memorandum of understanding with India to promote joint production of rare earth minerals, a move which will help reduce its reliance on China which controls most of the world's supply.

Under the memorandum signed Friday, the Japanese and Indian governments will support a joint project between Japanese trading house Toyota Tsusho Corp. and an Indian state-run company, Tokyo's energy agency said.

From next spring Japan is expected to begin annual imports of 4,100 tons of rare earths from India, which will be more than 10 percent of demand in Asia's second-largest economy, Jiji Press news agency said.

Rare earths are used to make a wide range of high tech products, including powerful magnets, batteries, LED lights, electric cars, iPods, lasers, wind turbines and missiles.

China produces most of the world's supply of rare earths, but has clamped down on exports of them in a move Beijing says is aimed at protecting its environment and conserving supplies.
AFP

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Solar Vehicles in Chile Race Across World's Driest Desert

Fifteen solar panel vehicles, some that look like small space ships, raced across Chile's Atacama desert as part of a contest to build low-cost environmentally-friendly cars.

Teams from countries like Argentina, Chile, India and Venezuela have crafted aerodynamic racers to speed across 1,300 kilometers (800 miles) of the world's driest desert in the second edition of the Atacama Solar Challenge.

The race, which began Thursday and ended Monday, with teams from universities that build their cars on a tight budget in the slog across northern Chile.

Some of the vehicles powered exclusively by the sun's rays, while others are solar- and pedal-powered hybrids.

The solar-powered vehicles are mostly flat rectangular contraptions lined with solar panels to absorb solar energy, which is stored in batteries, and with a cubicle to house the driver. The hybrids look like neighborhood go-carts with solar panels glued on.

The race started Thursday at the Humberstone saltpeter, about 800 kilometers (500 miles) north of Chile's capital, Santiago. The site, a UNESCO World Heritage Site, is a ghost town that has been abandoned since saltpeter mining was halted ended there in the mid 20th century.

This year, a team from oil-rich Venezuela made their debut in the competition that celebrates an alternative to fossil fuels.

"In a country with a mono-economy based on oil, with an infinite potential of hydraulic energy, and without an energy problem, it is a miracle to build a car like this," said the Venezuelan team captain Carlos Mata.

The solar vehicles shared the same northern Chilean highway with trucks, busses and cars, but are a long way from replacing them, said Leonardo Saguas, captain of the Antakar team from Chile's Universidad de La Serena.

Yet Saguas, whose team built last year's winning car, said he can envision a day when Chile is mass producing solar cars.

"We have plenty of resources, we just need to develop them," he said.

"It has 244 solar cells" which capture the sun's energy and convert it to electricity stored in batteries, he bragged, adding that the vehicle "weighs 300 kilograms and its peak power is 950 watts."

Luciano Chiang, professor at Chile's Catholic University, supervises the Solar Mecatronica team, one of five competing from Chilean universities.

"The market for (solar) panels belongs 90 percent to China, which no one can compete with on price," Chiang said.

"Yet Chile is the country with the most potential solar energy in the world," he said. "It is the same paradox as with batteries. We buy them from China, but they are made of lithium that surely comes from Chile," the world's leading source of the mineral.

We solicit suggestions/feedback from all members and readers for NICCI e -Newsflash at
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